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742CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

151446

COUNTRY Austria

DATE: 25X1

SUBJECT Miscellaneous Economic Information

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SUPPLEMENT

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1. (1 Oct.) Talk in financial circles of negotiations between the Soviets and the Laenderbank in an endeavor to reach some sort of pooling agreement (Interessengemeinschaft) led to alarm on the part of some large depositors. These rumors indicated that agreement has already been reached on some specific points, and, as a result, several of the depositors withdrew their accounts with this bank during the last days of September. The central office of Siemens-Schuckert Vienna, Hibelungengasse, International Zone, withdrew all deposits with the exception of a small amount and transferred the money to the Creditanstalt. It has also been observed in industrial circles that the Laenderbank is slow in meeting obligations and payments.
- 25X1 [REDACTED] Comment: As of mid-December, there has been no further report of the progress of Soviet negotiations with the Laenderbank).

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2. (15 Oct.) [REDACTED] that most of the rail shipments handled by this firm are sent by the Donau-Ufer-Bahn. However, since there is always a shortage of railroad cars, Yuzhtrans frequently organizes large truck convoys which go as far as Gorki. Informant stated that a monthly volume of approximately 200,000 tons of goods is handled by this firm and shipped entirely to the Soviet Union or to satellite countries. At present, [REDACTED] Yuzhtrans employs very few Austrians, and these are all Communist Party members.

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3. (8 Nov.) [REDACTED] that USIA is flooding Hungary with incandescent bulbs of Austrian origin (Osram); in Hungary they may be bought unrationed at 12 to 18 Forints each, depending on the size of the bulb.

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4. (8 Nov.) Despite exhortations to the workers by Soviet administrators, the shifting of emphasis from technical considerations to a concentration on the production of certain items, and other measures designed to speed up production in the Siemens-Schuckert Soviet-administered factories, the production of some items has lagged and may be expected to cease completely because of raw material shortages. For example, instead of the necessary 30 tons of sheet metal (Dynamoblech), the Engertstrasse (Vienna) plant of Siemens-Schuckert recently received only 20 tons, a quantity sufficient for only 10 days of operation. [REDACTED] Comment: There have been reports from qualified informants that in some cases the Austrian allotment boards are independently cutting allotments of raw materials to Soviet-administered plants, particularly in cases where the output of these firms is known to be going directly to

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the east. These efforts, however, are not coordinated, and do not usually originate on a planning level. They appear simply to be a form of protest by certain individuals within the Ministry of Property Control and Economic Planning and in the various industrial guilds, which have charge of the allocation of raw materials for all Austria. The Siemens cable factory, also under Soviet control, is said to be suffering a great production lag because of a lack of raw materials.

5. (15 Nov.) Source stated that the minimum requirements of the non-Soviet administered Siemens-Schuckert plants (Vienna I, Salzburg, Linz) is about 60 to 100 tons of sheet metal. In the coming year this amount will be even higher since it is planned to manufacture electric ovens. Because the present official allotment of sheet metal amounts to only 3 tons per quarter, Siemens has been instructed to procure the necessary sheet metal partly through private deals with Schmidhütte Krems, Schmid & Co.; the Böhler plants in Kapfenberg (British Zone) and Waidhofen (Soviet-controlled); Schöller-Bleckmann in Murzzuschlag (British Zone) and partly through black market channels. At present, however, there is almost no sheet metal to be had since Alpine-Montan has discontinued deliveries of plating materials to the large rolling mills in the Soviet Zone.

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